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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 004355

SIPDIS

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TAGS: PREL PGOV EFIN ECON MNUC KN CH KS JP
SUBJECT: PRC: EAP DAS ARVIZU DISCUSSES REGIONAL
ARCHITECTURE WITH MFA POLICY PLANNING DEPARTMENT

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Classified By: Acting Political Section Chief Ben Moeling. Reasons 1.4 (b/d).

### Summary

- 11. (C) MFA's Policy Planning Department Deputy Director-General Le Yucheng told EAP DAS Alex Arvizu that, despite serious economic and political risks in the East Asia region, the development of multilateral arrangements continues to move forward. DDG Le noted progress in the Six-Party process but suggested any hope for the Six-Party Talks to evolve into a regional architecture such as a Northeast Asia Peace and Security Mechanism (NEAPSM) would have to wait until denuclearization on the Korean Peninsula. Until that time, he suggested that experts from China, Japan and the United States explore developing a trilateral framework as a foundation for a regional architecture. END SUMMARY.
- 12. (C) EAP Deputy Assistant Secretary Alex Arvizu met with MFA Department of Policy Planning Deputy Director-General Le Yucheng on November 19 to discuss recent developments in regional multilateral arrangements, the Six-Party Talks, and how to move forward toward a regional architecture.

Tough Times for the East Asian Region

13. (C) According to DDG Le, Asia needs more multilateral mechanisms to address transnational issues. Le noted that many of China's neighbors are now facing difficult times due to the global economic slowdown as well as a wide variety of transnational ills. At the same time, the political situation in Nepal and Pakistan has deteriorated, terrorism is a growing problem in South Asia, and political transitions in stable countries such as South Korea, Thailand and Japan are cause for concern. It is imperative that countries in the region work together to keep such instability "under control," he insisted.

Current Mechanisms Are Moving Forward

14. (C) Le argued that the current multilateral arrangements in East Asia play a major role in promoting stability and increasing mutual trust. Groupings such as the East Asia Summit, the ASEAN Plus 3 mechanism and the China-Japan-ROK trilateral summit are "developing with good momentum." China supports these dialogues at the highest level, he noted, pointing out that Premier Wen Jiabao plans to attend the series of ASEAN-related summits in Thailand December 15-18. Le added that the members of these groupings are cooperating

on thorny issues such as food security, energy and climate change, the environment, education and transportation, and China is "actively" promoting the evolution of these fora on the basis of "equality, openness, and seeking common ground while maintaining differences," by using "democratic" consultations. Le told DAS Arvizu that China is open to further proposals for initiatives that would be useful for strategic cooperation.

## North Korea

15. (C) DDG Le said that the Six-Party Talks have made "some progress" this year, including a recent "consensus" on verification, although reaching agreement on how to articulate this consensus in a document remains a challenge. China understands the U.S. position and will work with the North Koreans to persuade them to continue to cooperate, Le said. He stressed, however, that the North Koreans "don't always listen to us." He expressed hope that efforts to implement Phase II of the Talks in a "comprehensive and balanced" way will move forward quickly.

#### Toward a NEAPSM

16. (C) Le emphasized that the establishment of a framework for the development of a Northeast Asian Peace and Security Mechanism (NEAPSM) is dependent on the denuclearization of the Korean Peninsula. Meanwhile, regular security cooperation among key states in Northeast Asia is "lagging behind" other issues in the region. In the development of a NEAPSM framework, DDG Le detailed five "key elements" that will have to be taken into consideration: 1) the need to complete the denuclearization of the Korean peninsula; 2) the

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need for improvements in U.S.-North Korea and Japan-North Korea relations; 3) a transition to an armistice or other peace mechanism; 4) a reduction in military deployments in the region; and 5) a reassessment of bilateral alliances in the region. These considerations are interdependent and, Le emphasized, were not listed in the order in which they should be taken up.

# U.S.-China-Japan Trilateral as a Potential Foundation

17. (C) DDG Le noted that China had proposed a trilateral U.S.-China-Japan framework in 2008 as a step toward a NEAPSM, adding that the idea remains "worth discussing." Le suggested that it would likely be some time before the Six-Party Talks could evolve into a NEAPSM. Until that time, he maintained, it would be worthwhile for the three largest economies in the Asia-Pacific region to explore expanding dialogue. China, Japan and the United States are major "factors" in the region, he said, and China "recognizes" the strategic importance of the U.S. presence in the region. China has neither the intention nor the ability to push the United States out of the region, adding that the United States plays a "positive and leading role" there. At the same time, China recognizes the importance the Sino-Japanese relationship holds for regional stability and wishes to improve those bilateral ties.

## China, United States Must Move Closer

18. (C) DDG Le expressed concern that historically the United States has been primarily concerned with its bilateral alliances with Japan and Australia. The time has come, he maintained, for the United States to commit to closer dialogue and consultation with China. He suggested track II consultations as a starting point, to allow scholars to discuss how to deepen cooperation and set an agenda for more formal talks. Turning back to the idea of a trilateral

U.S.-Japan-PRC mechanism, he also suggested that the time was ripe to explore official links as well. He recommended that a trilateral dialogue should begin modestly by discussing issues such as economic and financial cooperation and avoid immediate discussion of "more sensitive" issues. If such talks yield results, he added, the grouping could then attract more partner nations throughout Asia. Le suggested that the MFA would welcome an official proposal by the United States to explore modalities of a trilateral U.S.-Japan-China dialogue early in the new year.

 $\P9$ . (U) DAS Arvizu has cleared this message. RANDT